

Worksession

Agenda Item #	13
Meeting Date	18 June 2007
Prepared By	Sara Anne Daines HCD Director
Approved By	Barbara B. Matthews City Manager

Discussion Item	Housing Opportunities Commission's proposed purchase of rental property in Takoma Park
Background	<p>The Housing Opportunities Commission (HOC) has expressed interest in purchasing, under its right of first refusal, the property located at 7423, 7425, and 7427 Aspen Court. The building contains 16 units and is currently vacant. The Council will be provided an opportunity to learn more about HOC's proposal at the June 18 worksession and will be asked to consider the adoption of a resolution of support for the proposed purchase.</p> <p>HOC owns and operates more than 6,500 units throughout Montgomery County. The properties include individual, scattered site townhomes and condominiums, older multifamily buildings, garden apartments, and class A high-rise buildings. Units are affordable at a broad spectrum of income levels, ranging from public housing to top of the market rents.</p> <p>At Aspen Court, HOC envisions two options. One development plan would consist of a substantial renovation with a return of the property to the rental market. Although HOC believes that market rents in the community are currently at an affordable level, they would plan on placing income restrictions on 40 percent or more of the units, while leaving the balance unrestricted.</p> <p>A second scenario would be to renovate the project for sale as workforce condominiums. Again, the market value of the properties would likely keep them in the workforce range, however, HOC would commit to setting workforce prices for most, if not all of the units, regardless of the market.</p> <p>HOC is reviewing costs and potential sources of funding, both of which affect the viability of the options.</p> <p>Ultimately, HOC believes that the 11-unit building located across from the property, on the same court, should be renovated as well and would be interested in acquiring the property if that were the best way to achieve this goal.</p> <p>HOC's Assistant Director of Real Estate Development, Mr. Peter Engel, will provide the Council with additional information on the proposed purchase and its interest in acquiring additional property in the immediate area.</p>
Policy	"The City Council of the City of Takoma Park supports the provision, enhancement, and protection of affordable housing opportunities throughout our community for all of our citizenry. Working in cooperation with our residents, community leaders, and housing providers, we will provide staff resources and, when available, financial

	<p>assistance to programs and projects which further our affordable housing goals.”</p> <p>City of Takoma Park Affordable Housing Policy and Action Plan (2002)</p>
Fiscal Impact	N/A
Attachments	Proposed Resolution Consenting to the Purchase and Operation of 7423, 7425 and 7427 Aspen Court by the Housing Opportunities Commission.
Recommendation	To provide comment on the proposal
Special Consideration	A resolution of support for the proposed purchase has been requested by the Housing Opportunities Commission. In the event support for the project is expressed by the Council, the Resolution would be placed on the agenda for consideration.

Introduced By:

RESOLUTION No. 2007 - _____

**Consent to Purchase and Operation of
7423, 7425 and 7427 Aspen Court, Takoma Park
by the Housing Opportunities Commission**

- WHEREAS,** the City of Takoma Park is a municipal corporation chartered under Article 23A of the Annotated Code of Maryland; and
- WHEREAS,** as a City chartered under that authorization, the City of Takoma Park is authorized to establish a housing authority under the provisions of Division II of the Housing and Community Development Article of the Annotated Code of Maryland; and
- WHEREAS,** 7423, 7425 and 7427 Aspen Court (the “Property”) are vacant apartment facilities located within the territorial boundaries of the City of Takoma Park; and
- WHEREAS,** the owner of the Property has entered into a Contract of Sale (the “Contract of Sale”) for its purchase and sale; and
- WHEREAS,** the Housing Opportunities Commission of Montgomery County (the “Commission”) is the housing authority for Montgomery County whose area of operation is the entire territorial limits of Montgomery County except for cities for which a housing authority may be created within such boundaries, unless the governing body of the city consents to its inclusion in the area of operation; and
- WHEREAS,** the Commission has advised that it intends to exercise its right of first refusal to purchase the Property pursuant to Chapter 53A of the Montgomery County Code on the same terms as the Contract of Sale and own operate the Property in its own name upon completion of compliance with provisions of the Contract of Sale; and
- WHEREAS,** the City recognizes the benefits and advantages of permitting the Commission to operate Property because of its expertise and knowledge in management of affordable housing of like style in other parts of the County; and
- WHEREAS,** the acquisition by the Commission and its continued operation of the Property will allow it to be renovated and operated for the benefit of low and moderate income persons, many of whom have been longtime residents of the City.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Takoma Park, that it consents to the acquisition and operation of the Property by the Housing Opportunities Commission, a building within its territorial boundaries, that this consent shall be applicable only to the Property, and that the Commission shall apply to the City for approval of any subsequent acquisitions within the territorial boundaries of the City of Takoma Park.

Approved this _____ day of _____ 2007.

ATTEST:

Jessie Carpenter, City Clerk